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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/615,796

07/10/2003

Ian Kenneth Shepherd

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02/05/2009

STERNE, KESSLER, GOLDSTEIN & FOX P.L.L.C.  
1100 NEW YORK AVENUE, N.W.  
WASHINGTON, DC 20005

EXAMINER

GREENE, DANIEL LAWSON

ART UNIT

PAPER NUMBER

3694

MAIL DATE

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/615,796	<b>Applicant(s)</b> SHEPHERD, IAN KENNETH	
	<b>Examiner</b> DANIEL L. GREENE	<b>Art Unit</b> 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 02 October 2008.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 21-30 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 21-30 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                     | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

**DETAILED ACTION**

1. Claims 21-30 are pending. Claims 22-30 being newly added in the response received 10/2/2008.

***Response to Amendment***

2. Applicant's 10/2/2008 amendment to the Abstract obviates the objection set forth in section 4 of the previous Office action mailed 4/2/2008.

***Response to Arguments***

3. Applicant's arguments filed 10/2/2008, with regard to the double patenting rejection set forth in section 6 of the previous Office action mailed 4/2/2008 have been fully considered but they are not persuasive. Accordingly said rejection is sustained and incorporated herein by reference. For applicant's convenience, the Examiner will map the claims of the instant application to those of U.S. Patent 6,157,918. A review of the chart below makes clear the similarities of the instant claimed invention with that already set forth in applicant's patent 6,157,918.

<b><u>Instant application's claims 10/615,796</u></b>	<b><u>Claims from U.S. Patent 6,157,918</u></b>
21. A system to enable the formulation of a multi-party investment contract, comprising:	1. A data processing system to enable the formulation of multi-party investment contracts, the system comprising:

<p>receiving means for receiving from an ordering party contract data relating to at least one phenomenon, each said phenomenon having two possible future outcomes and a future time of maturity, said contract data including a view as to which of the two possible future outcomes will be the outcome at maturity and a consideration due to a counterparty at or after a time of matching, and for receiving from at least one counterparty registering data including a view as to each of the two possible future outcomes; and</p> <p>a data processor operable to price and match a contract for said phenomenon from said contract data and said registering data, the pricing including:</p> <p>applying at least one template of</p>	<p>input means (an input means inherently implies a receiving means to receive the input) by which an ordering party can input contract data relating to at least one phenomenon, each said phenomenon having a range (two possible outcomes connotes a range) of future outcomes and a future time of maturity, the contract data including a set of probabilities of occurrence for each outcome in said range and a consideration due to a counterparty at or after the time of matching, and further by which at least one counterparty can input registering data including a set of probabilities of occurrence for each outcome in said range; and</p> <p>data processing means operable to price and match a contract for a said phenomenon from said contract data and said registering data, the pricing including:</p> <p>applying at least one template of entitlement</p>
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<p>entitlement as a function of outcome to each counterparty's view to give one or more individual counterparty prices each equal to said consideration, and</p> <p>applying said ordering party view to each said template of entitlement to derive one or more implied entitlement valuations;</p> <p>the matching including:</p> <p>determining which counterparty will provide the best entitlement on maturity by comparing each implied entitlement valuation with said consideration, and</p> <p>matching the contract with that counterparty having a template of entitlement for the best said comparison.</p>	<p>as a function of outcome to each counterparty's set of probabilities to give one or more individual counterparty prices each equal to the ordering party's consideration; and</p> <p>applying the ordering party set of probabilities to each said template of entitlement to derive an implied entitlement valuation;</p> <p>the matching including:</p> <p>determining which counterparty will provide the best entitlement on maturity by comparing each implied entitlement valuation with the consideration; and</p> <p>matching the contract with that counterparty having a template of entitlement for the best said comparison.</p>
<p>22. The system of claim 21,</p> <p>wherein, in the pricing, application of a</p>	<p>2. A data processing system as claimed in claim 1,</p> <p>wherein, in the pricing, application of a</p>

template of entitlement results in the multiplication of each elemental entitlement with each probability, and the summing of the products.	template of entitlement results in the multiplication of each elemental entitlement with each probability, and the summing of the products.
23. The system of claim 22,  further wherein a discount factor is applied to the sum to give a present day price relative to the time of maturity.	3. A data processing system as claimed in claim 2,  further wherein a discount factor is applied to the sum to give a present day price relative to the time of maturity.
24. (New) The system of claim 21,  wherein, in the pricing, each template of entitlement is applied to the ordering party set of probabilities, and a multiplication of the elemental entitlements with each probability performed, and the products summed to give the implied entitlement valuation.	4. A data processing system as claimed in claim 1,  wherein, in the pricing, each template of entitlement is applied to the ordering party set of probabilities, and a multiplication of the elemental entitlements with each probability performed, and the products summed to give the implied entitlement valuation.
25. (New) The system of claim 24,	5. A data processing system as claimed in claim 4,

wherein the said sum has a discount rate applied to give a present day value relative to the time of maturity.	wherein the said sum has a discount rate applied to give a present day value relative to the time of maturity.
26. (New) The system of claim 21,  wherein the contract data further include a minimum expected entitlement against which the counterparty prices are compared for the purpose of accepting ones thereof for the matching.	6. A data processing system as claimed in claim 1,  wherein the contract data further include a minimum expected entitlement against which the counterparty prices are compared for the purpose of accepting ones thereof for the matching.
27. (New) The system of claim 21,  wherein the contract data include a constraint on the one or more templates of entitlement applied by the data processing means.	7. A data processing system as claimed in claim 1,  wherein the contract data include a constraint on the one or more templates of entitlement applied by the data processing means.
28. (New) The system of claim 21,  wherein the data processing means periodically reprices the contract data for a matched	8. A data processing system as claimed in claim 1,  wherein the data processing means periodically reprices the contract data for a matched

contract to derive one or more implied entitlement valuations for one or more counterparties.	contract to derive one or more implied entitlement valuations for one or more counterparties.
<p>29. (New) A data processing system to enable the formulation of potential multiparty investment contracts, the system comprising:</p> <p>receiving means for receiving contract data relating to a least one phenomenon, each said phenomenon having a range of future outcomes and a future time of maturity, the contract data including a set of probabilities of occurrence for each outcome in said range and a consideration due to a counterparty at or after the time of matching, and for receiving registering data including a set of probabilities of occurrence for each outcome in said range; and</p> <p>a data processing operable to price a contract</p>	<p>9. A data processing system to enable the formulation of potential multiparty investment contracts, the system comprising:</p> <p>input means by which an ordering party can input contract data (must have a receiving means) relating to a least one phenomenon, each said phenomenon having a range of future outcomes and a future time of maturity, the contract data including a set of probabilities of occurrence for each outcome in said range and a consideration due to a counterparty at or after the time of matching, and further by which at least one counterparty can input registering data including a set of probabilities of occurrence for each outcome in said range; and</p>



<p>for a said phenomenon from said contract data and said registering data, the pricing including:</p> <p>applying at least one template of entitlement as a function of outcome to each counterparty's set of probabilities to give one or more individual counterparty prices each equal to the ordering party's consideration; and</p> <p>applying the ordering party set of probabilities to each said template of entitlement to derive an implied entitlement valuation.</p>	<p>data processing means operable to price a contract for a said phenomenon from said contract data and said registering data, the pricing including:</p> <p>applying at least one template of entitlement as a function of outcome to each counterparty's set of probabilities to give one or more individual counterparty prices each equal to the ordering party's consideration; and</p> <p>applying the ordering party set of probabilities to each said template of entitlement to derive an implied entitlement valuation.</p>
<p>30. (New) A data processing system to enable the formulation of potential multi-party investments contracts, the system comprising:</p> <p>receiving means for receiving contract data relating to at least one phenomenon, each said phenomenon having a range of future</p>	<p>10. A data processing system to enable the formulation of potential multi-party investments contracts, the system comprising:</p> <p>input means by which an ordering party can input contract data relating to at least one phenomenon, each said phenomenon having a</p>

<p>outcomes and a future time of maturity, the contract data including a set of probabilities of occurrence for each outcome in said range and a consideration due to a counterparty at or after the time of matching, and for receiving registering data including a set of probabilities of occurrence for each outcome in said range; and</p> <p>a data processing operable to price and match a contract for a said phenomenon from said contract data and said registering data, the pricing including:</p> <p>dividing the consideration into components, and for each component;</p> <p>applying at least one template of entitlement as a function of outcome to each counterparty's set of probabilities to give one or more individual counterparty prices each equal to the</p>	<p>range of future outcomes and a future time of maturity, the contract data including a set of probabilities of occurrence for each outcome in said range and a consideration due to a counterparty at or after the time of matching, and further by which at least one counterparty can input registering data including a set of probabilities of occurrence for each outcome in said range; and</p> <p>data processing means operable to price and match a contract for a said phenomenon from said contract data and said registering data, the pricing including:</p> <p>dividing the consideration into components, and for each component;</p> <p>applying at least one template of entitlement as a function of outcome to each counterparty's set of probabilities to give one or more individual counterparty prices each equal to the</p>
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<p>ordering party's component consideration; and</p> <p>applying the ordering party set of probabilities to each said template of entitlement to derive an implied component entitlement valuation;</p> <p>the matching including:</p> <p>determining which counterparty will provide the best entitlement on maturity by comparing each implied component entitlement valuation with the consideration; and</p> <p>matching the contract with the counterparties having templates of entitlement for the best said component comparisons.</p>	<p>ordering party's component consideration; and</p> <p>applying the ordering party set of probabilities to each said template of entitlement to derive an implied component entitlement valuation;</p> <p>the matching including:</p> <p>determining which counterparty will provide the best entitlement on maturity by comparing each implied component entitlement valuation with the consideration; and</p> <p>matching the contract with the counterparties having templates of entitlement for the best said component comparisons.</p>
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***Claim Objections***

4. Claims 29 and 30 are objected to because of the following informalities: The second limitation of each claim begins with the phrase “a data processing operable”. The claims should read either “a data processing means”, or “a data processor” or some other appropriate terminology. Appropriate correction is required.

***Claim Rejections - 35 USC § 101***

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. **Claims 21-30 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

Claims 21-30 embrace or overlap two different statutory classes of invention set forth in 35 U.S.C. 101 which is drafted so as to set forth the statutory classes of invention in the alternative only. See MPEP 2173.05 (p)(II) and Ex parte Lyell 17 USPQ 2d 1548 at 1551.

For example, Claim 21 discloses formulation, receiving, applying templates and views, matching, determining, etc. These are clearly method steps which are inappropriate in an apparatus claim per 35 U.S.C.101.

Further, the claimed limitation fails to provide an invention when considered in light of In Re Bilski. That is, the claims fail to provide for a transformation of a particular item to a different state or thing. The mere manipulation of data does not fulfill the requirement of 35 USC 101.

Currently it appears that the claims of record are directed towards a "system" and a method of applicants desired or intended use, but it is not seen wherein applicant has set forth any physical structure that could be considered patentably different to that system already of record.

***Double Patenting***

7.     **The double patenting rejection from section 6 of the previous Office action mailed 4/2/2008 is sustained and incorporated herein by reference as further explained in section 3 above.**

8.     For applicant's convenience, if claim 21 is subsequently found allowable, claims 29 and 30 will be objected to under 37 CFR 1.75 as being a substantial duplicate of claim 21. When two (or more) claims in an application are duplicates or else are so close in content that they both cover the same thing, despite a slight difference in wording, it is proper after allowing one claim to object to the other as being a substantial duplicate of the allowed claim. See MPEP § 706.03(k).

***Conclusion***

9.     Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

10.    A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

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however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL L. GREENE whose telephone number is (571)272-6876. The examiner can normally be reached on Mon-Thur.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

12. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/D. L. G./  
Examiner, Art Unit 3694  
2009-02-01

/James P Trammell/  
Supervisory Patent Examiner, Art Unit 3694